News Release

FRANCHISE TAX BOARD

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FTB Postpones Deadlines for Victims Hardest Hit by Hurricane Katrina

Franchise Tax Board Follows Federal Extension Periods

The Franchise Tax Board (FTB) today announced special tax relief for taxpayers in the areas hardest hit by Hurricane Katrina.

The FTB is giving taxpayers in the hardest hit areas of Louisiana and Mississippi until August 28, 2006, to file returns and make tax payments that had a due date or extended due date on or after August 29, 2005, through August 28, 2006. This action conforms the state to the same postponement periods announced by the IRS.

"The last thing Katrina victims need to worry about are tax forms," said State Controller and FTB Chair Steve Westly. "We want to help people focus on rebuilding their homes, communities, and lives."

"Taxpayers should understand that the extra time to file and pay comes without penalties or interest. Any one experiencing an ongoing hardship should truly take advantage of the extra time," said Board of Equalization Chair and FTB Member John Chiang.

An automatic postponement applies to taxpayers in the following Louisiana parishes: Cameron, Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, and St. Tammany. The postponement also applies automatically to taxpayers in the following Mississippi counties: Hancock, Harrison, and Jackson.

Taxpayers outside the above areas who suffered severe hurricane damage are entitled to the extra time if these taxpayers self-identify themselves as impacted. These taxpayers should identify themselves by writing "Hurricane Katrina" in red ink at the top of the tax return. If taxpayers are e-filing, they should follow the software instructions to enter the disaster information.

Taxpayers needing copies of state returns to replace lost or damaged ones should complete Form <u>FTB</u> <u>3516, Request for Copy of Tax Return</u>. Print "Hurricane Katrina" in red at the top of the request. Disaster victims receive free copies of tax returns.

For more information, refer to <u>IRS Notice 2006-20</u>. To learn more about state disaster losses, refer to publication <u>FTB 1034</u>, <u>Disaster Loss</u> at <u>www.ftb.ca.gov</u> or the <u>IRS 547</u>, <u>Casualties</u>, <u>Disasters</u>, and <u>Thefts</u> at www.irs.gov.

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